

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

Support  
PL-I

30072

**FILE:** B-214915.3 and .4

**DATE:** December 27, 1984

**MATTER OF:** National Service Company

**DIGEST:**

1. Third-low bidder protesting that low and second-low bidders are nonresponsive is an "interested party" under GAO's Bid Protest Procedures.
2. Bid which offered a "trade discount (rebate)" on 4 of 12 lots is not ambiguous where the only reasonable interpretation is that the bidder intended a reduction in price by the prescribed percentage for each line item in the specified lots.

Robertson-Penn, Inc., doing business as National Service Company, protests the proposed award of a contract to either Tri-States Service Company or Integrity Management International, Inc., under invitation for bids (IFB) DABT31-84-B-0029. The solicitation covers operation of a laundry and dry cleaning plant at Fort Leonard Wood, Missouri.

National contends that both Tri-States and Integrity's bids are nonresponsive and that it should receive the award as the lowest responsive bidder.

We deny the protest.

As a threshold issue, we must consider whether National is an "interested party" and therefore qualified to raise this protest under our Bid Protest Procedures, 4 C.F.R. § 21.1 (1984). The Army argues that National is not an interested party on the ground that it would not be in line for award even if its protest against Tri-States were upheld.

The abstract of bids discloses that the three lowest bids, evaluated as specified in the solicitation by adding prices for a base year and 2 option years, were as follows:

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<u>Name of Offeror</u>	<u>Prices</u>
Tri-States	\$2,402,118 (without discount) \$2,166,772.20 (with discount)
Integrity	\$2,181,232.65
National	\$2,182,022.10

While the Army's argument has merit with respect to National's initial protest in which National objects only to the award to Tri-States, in a subsequently-filed, timely protest, National contends that Integrity's bid also should be rejected. If National is correct, its bid would be next in line for award. Under these circumstances, National is an interested party. See International Alliance of Sports Officials, B-211549, Jan. 24, 1984, 84-1 C.P.D. ¶ 110.

The laundry/dry cleaning services covered by the IFB are divided into 223 line items, which are grouped into 12 lots. In a letter amending its bid, received before the September 17, 1984 opening, Tri-States offered a "trade discount (rebate)" of varying amounts (10-40 percent) on four of the lots. The contracting officer interpreted this as an offer to reduce Tri-States' line item prices in each of the four specified lots by the prescribed percentage and, as a result, determined that Tri-States' was the lowest evaluated bid.

National contends that Tri-States' amended bid contained an ambiguity in its price and terms and, therefore, was improperly considered. National contends it is unclear whether Tri-States intended to offer a trade discount to the government, since the term usually refers to a discount offered by a manufacturer or wholesaler to a retailer. Moreover, National argues that it is unclear as to what is required of the government to obtain the trade discount. By inserting the word "rebate" after the phrase "trade discount," National argues, Tri-States is offering to return money which it receives from the government under invoices that will be paid according to the prices listed in Tri-States' unamended bid. Such administrative complexity National concludes, is beyond that provided for in the "Invoices and Payments" section of the IFB, and therefore is clearly a material change to the terms of the IFB.

As for Integrity's bid, National argues that it is nonresponsive because it is unbalanced, with certain line items for similar services priced either too high or too low.

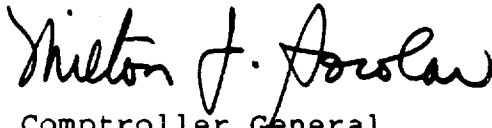
Where a bid is subject to two reasonable interpretations, under one of which it would be responsive and under the other nonresponsive, the bid generally must be rejected as ambiguous. Harco, Inc., B-189045, Aug. 24, 1977, 77-2 C.P.D. ¶ 144. However, we do not believe Tri-States' amended bid is subject to two reasonable interpretations. First, regardless of the commercial use of the term "trade discount," we think Tri-States' use of the term here can only be interpreted as a specific price reduction offered to the government, without the government's having to do anything to "earn" the discount. Lower than normal prices are something offered to the government in the form of trade discounts, see, e.g., Lanier Business Products, B-187969, May 11, 1977, 77-1 C.P.D. ¶ 336; Airways Rent-A-Car of Seattle, et al., B-180088, July 10, 1974, 74-2 C.P.D. ¶ 16, involving Federal Supply Schedule contracts, and their being so denominated does not mean that they are somehow dependent on the government's doing something other than awarding the contract to get the benefit of these services.

Second, we do not believe the entry of the word "rebate" in parenthesis after "trade discount" can be reasonably interpreted as modifying the bidder's intent to offer an initial reduction in price. We think the word rebate in this context is only another word for the offered discount, since we think it clear that Tri-States intended to offer the government a lower price on certain line items than it had offered originally.

We, therefore, find that Tri-States' intended price was clear and its amended bid was correctly deemed responsive to the IFB.

In view of our conclusion that Tri-States submitted the low responsive bid, we need not decide whether Integrity submitted an unbalanced bid.

Protest denied.

*for*   
Comptroller General  
of the United States